

STATE OF WYOMING)
:SS.
COUNTY OF LINCOLN)

On this 18th day of August, 1947, before me appeared Patrick J. Quealy to me personally known, who, being by me duly sworn, did say that he is the President of Western Oil Refining Company, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Patrick J. Quealy acknowledged said instrument to be the free act and deed of said corporation.

GIVEN under my hand and Notarial Seal this 18th day of August, 1947.

Olga Koren
Notary Public

My Commission expires:

June 14, 1950.

(NOTARIAL SEAL)

No. 36074

OIL AND GAS LEASE

Fred McCourt, et al

To

Western Oil Refining
Company

Fees, \$4.00

THE STATE OF WYOMING) This instrument was filed for record in my
)SS. office at 11:00 o'clock A. M. on the 28th day
County of Sublette) of October A. D. 1947 and duly recorded in
Book 2 of Oil and Gas Leases, on Page 166.

H. H. Summers, County Clerk.

Lessee

Lessor

Structure

AGREEMENT, Made and entered into this 30th day of July, 1947, by and between FRED McCOURT, J. GORDON MORGAN, ALBERT MAU, ERNEST B. HITCHCOCK, and JOSEPH A. MINTON, party of the first part, hereinafter called lessor, (whether one or more) and WESTERN OIL REFINING COMPANY, a Wyoming corporation, party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of Ten (\$10.00) Dollars, in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, casinghead gas, and all other minerals, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in Sublette County, State of Wyoming, to-wit:

Township 28 North, Range 113 West, 6th P.M.
Section 17: W₁SW₄, SE₁SW₄, now resurveyed and
described as Tract 39.

Containing 120 acres, more or less.

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of five years from this date (called "primary term") and as long thereafter as oil or gas or casinghead gas or either or any of them, is produced therefrom; or as much longer thereafter as the lessee in good faith shall conduct drilling operations thereon and should production result from such operations, this lease shall remain in full force and effect as long as oil or gas or casinghead gas, shall be produced therefrom.

In consideration of the premises it is hereby mutually agreed as follows:

1. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks.

2. The lessee shall pay lessor, as royalty, one-eighth (1/8) of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found, and where not used or sold shall pay Fifty (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held to be a producing well. The lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense.

3. To pay lessor for gas produced from any oil well and used off the premises or in the manufacturing of gasoline or any other product a royalty of one-eighth (1/8) of the market value at the mouth of the well, payable monthly at the prevailing market price.

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate as to both parties, unless the lessee shall, on or before one year from this date, pay or tender to the lessor or for the lessor's credit in First National Bank at Kemmerer, Wyoming or its successor or successors, which bank and its successors are lessor's agents and which shall continue as the depository regardless of changes in the ownership of the land, the sum of One Hundred Twenty (\$120.00) Dollars which shall operate as a rental and cover the privilege of deferring the commencement of operations for the drilling of a well one year from said date. In like manner and upon like payments or tenders the commencement of operations for the drilling of a well may be further deferred for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such persons.